



CDF-NY's MEDICAID REDESIGN TEAM II (MRT II) PROPOSAL: Replace New York's Medicaid Global Cap with a Transparent Global Budgeting Process

The Medicaid global cap should be eliminated and replaced with a transparent and accountable global budgeting process that properly accounts for consumer needs, quality of care and services, inflation, state GDP and other relevant health and economic factors.

A budget goal should be recommended to the Governor and the Legislature by an independent commission. The Commission should be a standalone entity, exclusive of the Department of Health and the Division of the Budget. The commission should report to a board appointed by the Governor and the Legislature. The board members should consist of economists, actuaries, health data experts and consumer advocates. All board members should be independent and should not receive any remuneration from any organization that generates revenues from Medicaid. The commission may also have an advisory council that consists of providers, unions, community-based organizations and other consumer advocates, including organizations that participate in or generate revenues from the Medicaid program.

The commission should have an appropriately sized staff to review and analyze necessary data and other information. The Department of Health, the Division of the Budget, and all other state agencies should provide the commission with any data or information it needs. In addition to recommending a Medicaid budget, the Commission should also monitor Medicaid and other health care spending growth in New York and provide data-driven policy recommendations in a publicly available annual report to the Governor and the Legislature. The commission should also hold a public hearings and take public comments on its recommendations.

Eliminating the Medicaid global cap and replacing it with this global budgeting process will ensure consumer needs are met, avoid unnecessary program cuts derived from a global cap, and eliminate unnecessary costs.